

1 [Administrative Code - Rewards to Informants for Information Related to the Detection of  
2 Underpayment of Property Tax]

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4 **Ordinance amending Chapter 10 of the San Francisco Administrative Code by**  
5 **amending Sections 10.177-2 and 10.177-3, authorizing the Assessor to recommend**  
6 **rewards for information related to the detection of underpayment of tax owed to the**  
7 **City and County of San Francisco.**

8 NOTE: Additions are *single-underline italics Times New Roman*;  
9 deletions are ~~*strike-through italics Times New Roman*~~.  
10 Board amendment additions are double-underlined;  
Board amendment deletions are ~~strikethrough normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. The San Francisco Administrative Code is hereby amended by amending  
13 Section 10.177-2 to read as follows:

14 **Sec. 10.177-2. REWARD FOR INFORMATION CONCERNING UNDERPAYMENT OF**  
15 **TAX.**

16 (a) The Assessor of the City and County of San Francisco is hereby authorized to  
17 recommend a reward to be paid by the Board of Supervisors from the general fund for  
18 information leading to the detection of an underpayment of property tax ~~owing~~ to the City and  
19 County of San Francisco when the underpayment results from a change of ownership (as  
20 defined in Revenue and Taxation Code § 60 et seq.) that was not reported as required under  
21 Division 1, Part 2, Chapter 3, Article 2.5 of the Revenue and Taxation Code.

22 (b) For purposes of this section, the term "real estate watchdog" means a person  
23 providing information leading to the detection of an underpayment of property tax (when the  
24 underpayment results from a change of ownership as defined in Revenue and Taxation Code § 60 et  
25 seq.) owing to the City and County of San Francisco.

1 (c) In order for a real estate watchdog to qualify for a reward:

2 (1) the Assessor must certify that the unreported change of ownership will result in a  
3 re-assessment leading to the actual collection of the tax or a lien or other device that is  
4 reasonably likely to result in the collection of the tax;

5 (2) the watchdog must not have participated in concealing the unreported transfer;

6 (3) the information furnished must be information unknown to the Assessor; and

7 (4) the watchdog must file an application for reward along with supporting  
8 documentation ~~in with the Office of the Controller~~ Assessor for the City and County of San  
9 Francisco, who shall have the authority to prescribe the form of the application and to design and  
10 administer the watchdog program.

11 (d) ~~The Controller shall forward all applications and supporting documentation received~~  
12 ~~pursuant to this section to the Assessor for investigation and evaluation.~~ The Assessor shall make a  
13 determination on every application filed and, if in his discretion a reward is warranted,  
14 recommend an amount of reward to the Board of Supervisors. Rewards are entirely in the  
15 City's discretion and there is in no circumstance the right to an award. The amount of the  
16 recommended reward on an application:

17 (1) reposes in the discretion of the Assessor;

18 (2) is subject to approval by the Board of Supervisors;

19 (3) will be determined based on the usefulness of information furnished;

20 (4) may be up to ten percent of the increase in tax due from the date of the unreported  
21 change in ownership to the date the information is provided that is or would be collected  
22 because of the information provided;

23 (5) may not be more than ~~five hundred~~ one hundred thousand dollars (~~\$500~~ 100,000); and

24 (6) will be paid as soon as administratively feasible after approval by the Board of  
25 Supervisors.

1 (e) The authority provided for in this section to recommend a reward to be paid from  
2 the general fund for information leading to the detection of an underpayment of property tax  
3 owing to the City and County of San Francisco when the underpayment results from a change  
4 of ownership (as defined in Revenue and Taxation Code § 60 et seq.) that was not reported  
5 as required under Division 1, Part 2, Chapter 3, Article 2.5 of the Revenue and Taxation Code  
6 shall be available to and may be exercised by the Assessor for a period of five years from the  
7 effective date of this Section.

8 (f) After review by the Controller, ~~The~~ Assessor shall submit an annual report to the  
9 Board of Supervisors for each year for which the reward program authorized under this  
10 Section is in existence that sets forth any identifiable increases in property tax assessments  
11 resulting from information obtained due to this program.

12 ~~(g) The Controller shall submit an annual report to the Board of Supervisors for each year for~~  
13 ~~which the reward program authorized under this Section is in existence that sets forth any identifiable~~  
14 ~~increases in property tax revenues resulting from information obtained due to this program.~~

15 (hg) Not later than six months prior to the expiration of the Assessor's authority as  
16 provided in subsection (d) above, ~~the Controller and~~ the Assessor shall ~~confer and~~ recommend  
17 to the Board of Supervisors whether the Assessor's authority to recommend rewards under  
18 this ordinance should continue for an additional period.

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20 Section 2. The San Francisco Administrative Code is hereby amended by amending  
21 Section 10.177-3 to read as follows:

22 **SECTION 10.177-3. PAYMENT.**

23 The Controller shall pay out of any appropriation created for the purpose any reward  
24 authorized pursuant to Section 10.177-2 above, provided that an application for such reward  
25 is filed ~~in~~ pursuant to the procedures established by the ~~Controller's~~ Assessor's office, the Assessor

1 has recommended an amount of reward be paid on the application, and the recommended  
2 reward is approved by the Board of Supervisors.

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4 Section 3. The Board of Supervisors authorizes the Assessor to recommend and the  
5 Controller to pay a reward for information concerning underpayments of tax, as provided in  
6 Administrative Code Sections 10.177-2 and 10.177-3, respectively, based on information  
7 provided after February 16, 2011, the date when the Assessor's prior authorization expired,  
8 and before the effective date of this ordinance.

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10 Section 4. Unless the Board of Supervisors amends this ordinance to continue its  
11 operation prior to the sunset of the Assessor's authority to recommend rewards, this  
12 ordinance shall expire and the City Attorney shall cause it to be removed from the City's  
13 codes.

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15 APPROVED AS TO FORM:  
16 DENNIS J. HERRERA, City Attorney

17 By: \_\_\_\_\_  
18 STEPHANIE PROFITT  
19 Deputy City Attorney  
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